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Chairman: Mr. Kara (Vice-Chairman) ..... (Czech Republic)

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In the absence of Mr. Fernandez (Honduras), Mr. Kara (Czech Republic), Vice-Chairman, took the Chair.

The meeting was called to order at noon.

General debate (*continued*)

1. **Mr. Manalo** (Philippines) said that his delegation wished to associate itself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China. He noted that poverty and environmental degradation still topped the list of economic problems that must be confronted, to say nothing of the slowdown of the global economy and the decline of official development assistance.

2. The International Conference on Financing for Development and the World Summit on Sustainable Development, held in Monterrey and Johannesburg respectively, offered hope, however, that it was possible to move closer to the development goals set out in the Millennium Declaration. To that end, all efforts must focus on capacity-building and on fulfilling the commitments made at the international, regional and national levels. At the national level, countries could build domestic capacities for development more effectively if their debt burdens were less onerous. In that regard, the Philippines hoped that the Heavily Indebted Poor Countries (HIPC) Debt Initiative would be provided with adequate funding so as to increase its chances of success. Innovative solutions to the debt problem could be found, provided that the necessary means were made available. Debt relief was undoubtedly in the interest of the international financial community; its payoffs would include sustained growth, meaningful poverty reduction and a more stable global economy. At the international level, more must be done to give developing countries fairer access to investment opportunities, as well as free and more open access to the markets of developed countries. However, the developing countries must first expand their export capacity. It was thus important to combine direct foreign investment and official development assistance to supplement the domestic resources of those countries.

3. At the same time, the rules of trade and the World Trade Organization (WTO) must be more responsive to the needs, concerns and priorities of developing countries. The Philippines attached great importance to the full and fair implementation of the outcome of the Uruguay Round, particularly those provisions that were of interest to developing countries. WTO should strengthen its technical assistance to those countries and ensure, in particular, that they had access to its dispute settlement mechanisms.

4. His delegation also supported the establishment of a more formal relationship between WTO and the United Nations, particularly the General Assembly, which played a central role in development issues. A regular dialogue, along the lines of that between the Economic and Social Council and the Bretton Woods institutions would be welcome, for the perception that the latter were the only institutions that should deal with key economic issues was inaccurate. Trade was in fact only one aspect of development, and there was also a need to make the international financial system more stable and more sensitive to the needs and concerns of the developing countries.

5. With regard to the follow-up to the Monterrey and Johannesburg conferences, it must be understood that funding for global public goods should be over and above the funds allocated for official development assistance; there was, in fact, a need to find a balance between international responsibility and the needs and priorities of developing countries. That balance was critical if the plan of implementation of the World Summit on Sustainable Development was to be meaningfully applied. When the implementation of the commitments and objectives of Agenda 21 was reviewed, a wide gap became evident between hope and reality; that gap must be bridged if the goals set at Johannesburg were truly to be realized. His delegation therefore emphasized the need to ensure adequate funding for the implementation of Agenda 21. It also called on those countries that had not already done so to ratify the United Nations Framework Convention on Climate Change and the Kyoto Protocol and urged all countries to honour their commitments. Only then could progress be achieved towards sustained economic growth and development.

6. **Mr. Alayed** (Jordan) said that his delegation wished to associate itself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China. The Doha, Monterrey and Johannesburg conferences had given international impetus to the realization of the development goals, even though some considered that they had not produced the expected results. There was, however, a need to strive to implement what had already been

agreed. The Doha development agenda set out the criteria for new international negotiations, taking into account the needs of developing countries. The Monterrey Conference had emphasized the importance of harmonizing national, regional and international policies and coordinating the activities of the various bodies and institutions responsible for financing for development, including the United Nations and the Bretton Woods institutions. It had confirmed that there was a need to increase official development assistance. The Johannesburg Summit had put an end to the misunderstanding concerning a choice that had to be made between poverty eradication and environmental protection, which, in reality, were part of a single whole and were far from being incompatible.

7. It was up to the Committee to make an overall link between the various items considered in the course of its work and the outcomes of those conferences with a view to arriving at resolutions that reiterated the calls made by those conferences and set time frames. The effective implementation of the commitments made would compensate for the shortcomings of the resolutions adopted at the conferences. He recalled that, in order to achieve greater economic openness and to become more integrated in the global economy, Jordan had, inter alia, joined WTO in 2000 and had signed an agreement with the United States of America, which had entered into force in 2001, whereby a free-trade zone had been established. With a view to attracting investment and accelerating economic and administrative reform, his Government had established the Aqaba special economic zone and had made the administrative measures for creating businesses more flexible. The first results of the privatized enterprises showed that they performed better. In 2001, Jordan had been chosen along with other Arab countries to participate in the Information and Communication Technologies Task Force.

8. He noted that, despite Jordan's economic successes and his Government's continuous efforts to improve the situation, external debt was preventing the country from experiencing the necessary economic growth and enhancing development, for it reduced the available resources and hindered investment and sustainable development; that problem, moreover, affected all developing countries. The debt burden of those countries and of middle-income countries should therefore be alleviated. Sustainable development required more assistance to developing countries on the part of developed countries. His delegation welcomed the New Partnership for Africa's Development (NEPAD), the aim of which was to ensure sustainable growth and development in the African continent.

9. **Mr. Baialinov** (Kyrgyzstan) welcomed the achievements made at Monterrey and Johannesburg and expressed the hope that the decisions taken would be fully implemented.

10. Many States currently needed to increase their exports and improve their balance of trade by finding the necessary domestic and external financial resources and attracting direct foreign investment. At those conferences, the leaders of numerous States had stressed the close link between the solutions to the problems faced and the geographical and socio-economic specificities of certain countries, such as developing countries, countries with economies in transition and landlocked countries, specificities which had to be taken into account when the issue of sustainable development or foreign investment policy came to be considered.

11. He thanked all States for the attention they had devoted to the category of countries with territories that were mostly or completely covered by mountains, a large group since it included developed countries, developing countries, small island States and countries with economies in transition. He expressed the hope that the outcome of the Bishkek Global Mountain Summit would contribute to the sustainable development of mountainous countries. In that regard, the interim report of the Director-General of the Food and Agriculture Organization on the International Year of Mountains (A/57/188), which would be considered by the Committee, reflected clearly the scale of the difficulties confronting mountainous countries in developing their economies, difficulties that were greater still when the countries in question were least developed, developing or landlocked countries.

12. **Mr. Jegermanis** (Latvia) said that his delegation fully associated itself with the statement made by the representative of Denmark on behalf of the European Union. The Monterrey and Johannesburg conferences had further elaborated on ways of achieving the development goals set out in the Millennium Declaration. Latvia attached great importance to that Declaration, which provided a framework for the work of the United Nations in the economic and social development fields, as well as defining clear targets.

Obviously, more detailed operational activities must be developed in order to reach those goals by the specified dates.

13. International trade was one of the tools for realizing some of the Millennium goals relating to economic development, and his delegation strongly believed that it must act as an engine for development. During the fourth WTO Ministerial Conference, Latvia had insisted that the new round of multilateral negotiations, the Doha Round, should focus on providing more benefits for developing countries, especially the least developed countries. In accordance with the commitments made by Latvia under the Doha Declaration, the Latvian Parliament had adopted a law guaranteeing duty-free and quota-free market access for products originating from least developed countries. In 2002, Latvia and the United Nations Development Programme (UNDP) had signed a memorandum of understanding whereby Latvia's status as a recipient of United Nations assistance had been changed to that of a net contributor, a development of which Latvia was proud. It had begun to share its experience of reforms and transition with other developing countries.

14. There was general agreement that the Monterrey and Johannesburg conferences had helped to define goals with respect to sustainable development, economic growth and poverty eradication. A particularly valuable outcome of those conferences and other events organized both within the framework of United Nations and outside it was the integrated and holistic view of development. It was up to the Committee to find ways to advance its core issues and to strengthen the role of the United Nations in the development process through a more integrated approach and more coherent action. It was in the interest of all to avoid taking up overlapping items and resolutions, especially in the macroeconomic field. Failure to do so would constitute a waste of precious resources and a step back to the point at which the international community found itself before Monterrey and Johannesburg.

15. **Mr. Nadal** (Israel) said that the Committee dealt with issues that directly affected the well-being of humankind and the future of the planet, such as hunger, malnutrition, poverty and economic deprivation, and the environment. In the past year, two major United Nations conferences, namely, the International Conference on Financing for Development, in Monterrey, and the World Summit on Sustainable Development, in Johannesburg, had set out clear and measurable objectives for the entire international community to achieve, taking into account the commitments made at the Millennium Summit. To that end, it was necessary to harness the power of globalization and mitigate its adverse consequences, so that it became a force that uplifted all nations. Israel attached great importance to the implementation of the commitments entered into at the Johannesburg Summit, as it had in respect of the commitments made at the Rio Summit.

16. His Government had already initiated a sustainable freshwater management policy; it was working with civil society to protect the rich biodiversity of the region, and was seeking to exploit the potential of solar energy and to combat desertification. The experience it had gained would be made available to many countries and Israeli experts would be able to serve as consultants for national governments in such areas as efforts to combat desertification, protection and rational exploitation of biodiversity, poverty reduction, and study and management of water resources. Israel was striving to foster regional and international cooperation through MASHAV, the Centre for International Cooperation of the Ministry of Foreign Affairs, which had been established more than 40 years earlier and which had provided courses to some 3,000 individuals from 120 countries covering over 100 fields, including agriculture, community development, economic development, education, public health, and science and technology.

17. Israel reiterated its support for the New Partnership for Africa's Development and for the initiatives and principles adopted by the African Union. The Partnership was an outstanding example of regional cooperation for development. Like other countries, Israel had been a victim of the global currents that had unsettled many economies, particularly stock market fluctuations and the threat of terrorism. But it remained committed to continuing to develop initiatives for regional and international cooperation on issues related to sustainable development. The challenges of environmental protection and sustainable economic and social development were not constrained by borders; the international community's response must also have a regional and international character. In addition, Israel

was convinced that there was a close link between peace and development. That was particularly evident in the Middle East, where sustainable development had been a victim of the prolonged conflict. Israel was also convinced of the key role of cooperation: the very process of planning and implementing joint projects would increase confidence in peace while promoting greater regional cooperation.

18. **Mr. Ivanou** (Belarus) said that the documents adopted at the International Conference on Financing for Development, in Monterrey, and the World Summit on Sustainable Development, in Johannesburg, provided a long-term framework for international economic cooperation for development, and constituted a first step towards the achievement of the development goals set out in the Millennium Declaration. The responsible implementation, at all levels, of the agreements reached in Monterrey and Johannesburg should lead to progress in the right direction. The fifty-seventh session of the General Assembly would be an opportunity to transform the principles into concrete actions.

19. Efforts should focus on five different areas. The first, capacity-building, was the responsibility of States themselves. Regarding social and economic development, Belarus planned to strengthen the financial and banking sectors, to adopt measures for the gradual liberalization of financial and commercial markets, to establish a favourable investment climate, to implement comprehensive programmes to aid the most disadvantaged and incentives for the private sector, and to intensify the fight against corruption.

20. Many developing countries did not have sufficient capacity to implement the measures envisaged in the policies and programmes adopted in Monterrey and Johannesburg. That was especially true for countries with increased vulnerability, including least developed countries, small island developing States and landlocked countries. One could not therefore overstate the importance of increasing international assistance for capacity-building in those countries, including in the areas of education, health, environmental protection and development of information and communication technologies, while ensuring strict compliance with the provisions of the relevant General Assembly resolutions concerning operational activities for development, which were based on the principles of neutrality, universality and multilateralism.

21. Second, it was important to ensure the equitable integration of all countries into the world economy and to increase access to markets for developing countries and countries with economies in transition; that could prove to be much more beneficial than direct financial assistance.

22. Third, his delegation considered it necessary to find innovative sources of financing for development, taking into account the relevant discussions in Monterrey and Johannesburg.

23. Fourth, there was a need to ensure the integration of the social, economic and environmental aspects of sustainable development, on the basis of the relevant international conventions. In order to secure the effective implementation of the outcomes of United Nations conferences and summits in the economic and social fields, the international community must support countries' efforts and ensure the practical application of the proposals relating to corporate responsibility, which were based on partnership between governments, the private sector and civil society. Lastly, his delegation believed that it was necessary to strengthen the institutional framework for the implementation of the outcomes of Monterrey and Johannesburg through new mechanisms.

24. **Mr. Al-Sulaiti** (Bahrain) said that his country was proud of the progress it had made with respect to modernization and development, as recognized in the *Human Development Report 2002*, in which Bahrain ranked highly and, for the sixth time, in first place among the Arab countries. That ranking bore witness to the success of national development strategies in all areas. Globalization had created new challenges for the world economy and the international community. Its positive aspects were the facilitation of the transfer, including at the international level, of means of production and services, and the progress in informatics; there was a need to find a balance between global and national economic policies. Despite such benefits as the development of information technologies, electronic trade, health, education, social development and access to markets, fears persisted because of the potential adverse effects for developing countries, which lacked the capacity to take advantage of globalization and to compete with other countries; that situation threatened to exacerbate poverty and increase their exclusion. It was in the interest of the international community for globalization to benefit all countries, so as to eradicate poverty, ensure equality

and social progress and give a human face to globalization.

25. Conscious of the importance of environmental protection, Bahrain had signed or ratified most of the international treaties, conventions and protocols in that regard. Furthermore, its national institutions had been instructed in decrees and ministerial decisions to organize meetings to monitor the implementation of the documents signed at the various summits, including Agenda 21. In addition, the Constitution provided for environmental protection measures.

26. It was also necessary to find ways of placing human beings at the centre of development. The Bahraini Constitution and the National Action Charter guaranteed the basic rights of all citizens without distinction as to sex, religion or origin, particularly the right to stand for election to local elected bodies and the Bahraini National Assembly. The most recent local elections had taken place in May and elections to the National Assembly would be held in October. Lastly, in order to ensure human dignity for all peoples, there was a need for collective action from all countries.

27. **Mr. Paolillo** (Uruguay) said that the Committee was charged with contributing to the efforts of the international community to create a more equitable, just and democratic international economic system, within which it would be possible to manage the variable effects of globalization and to ensure conditions of equality for developing countries. Several international meetings and conferences in 2002 had been devoted to the Millennium development goals, particularly poverty eradication. The outcomes of those summits must be implemented in a balanced manner, and the developed countries must therefore support the efforts to restructure and revitalize the economic and social organs of the United Nations and its financial organs and undertake to support the reforms by providing the necessary financial resources and finding new sources of funding, innovative methods of mobilizing resources and international cooperation mechanisms enabling developing countries to derive maximum benefit from modern information and communication technologies with a view to their participation in the information society.

28. Globalization confirmed the validity of the call made by the developing countries for completely free international trade. There could be no development without trade, and it was therefore important to respect the rules of the market and to ensure the elimination of protectionism and subsidies in such important areas as agriculture and textiles. Regional integration was an effective development tool, in addition to the efforts to liberalize and open up economies in the context of the new international trade rules deriving from the GATT Uruguay Round agreements, which had led to the establishment of WTO. The Doha Ministerial Conference had recognized the importance of international trade for promoting economic development and eradicating poverty, but in order for everyone to be able to participate in world trade, the agreements concluded within the framework of WTO must be fully respected.

29. Uruguay was experiencing a deep economic and financial crisis resulting from a combination of external factors, both regional and extraregional, including the decline of international prices for its main exports, particularly agricultural products and textiles, the granting of subsidies and the protectionist measures of the developed countries, and the crisis afflicting the financial systems of its main export markets. That crisis came within the framework of a larger crisis which was affecting the entire region and could spread further. It was therefore necessary to combat the adverse effects of globalization and to break the current vicious circle, the political and social consequences of which were alarming and could even be irreparable.

30. **Mr. Valdivieso** (Colombia) said that the world economic outlook was discouraging. The effort made over the past 10 years to improve the world economic system had not prevented the general deterioration from continuing. The economic recession in several developed countries had weakened the prices for commodities, leading to a marked reduction in exports from developing countries and the stagnation of investment flows. The fragile world financial architecture needed to be consolidated; that was one of the most difficult tasks facing the countries and institutions gathered together within the Committee.

31. Globalization, however, offered one of the best ways of stimulating world development. Developing countries often strove to adapt their national policies to its opportunities and requirements. In Colombia, a major effort had been made, with that in mind, to take the measures necessary for the country's full participation in the opportunities offered by globalization in the modern world.

32. The meetings of the international financial institutions held in Washington during the previous week had shown the disastrous situation in Latin America; in 2002, the region would receive no more than 30 billion dollars, whereas, only five years earlier, it had received 106 billion dollars of investment.

33. Some attributed those difficulties to globalization itself, others to the application of inadequate economic models that were poorly suited to the regional context and still others to bad governance. However, Latin America had carried out the dictates of the so-called Washington consensus. Several countries had given up protectionist measures, liberalized their economies and begun privatization processes, in the hope of creating a group of emerging markets that would lead to prosperity. But the situation remained very precarious.

34. Against that background, the International Conference on Financing for Development, held in Monterrey (Mexico), had reviewed several of the economic and financial obstacles that were hindering growth in many of the developing countries and had identified the basic elements of collective financing strategies based on a global alliance in support of development. His delegation wished to emphasize how indispensable it was to create conditions for the competitive integration of the economies of the developing countries in the world economy. In order to achieve that, the restructuring of the international financial architecture was essential.

35. His delegation considered that it was also vital to pursue the efforts initiated in Doha (Qatar). The commitments set out in the Declaration resulting from the Ministerial Conference must be honoured if a viable trading system was to be built. That international trading system must be truly free, open, rule-based, secure, fair, non-discriminatory and transparent. It must contribute to the equitable development of all States. Protectionist barriers, tariff peaks, agricultural subsidies, anti-dumping measures and non-tariff obstacles must be eliminated or corrected in order to facilitate access for products from the developing countries to the markets of the developed countries. There was also a need to boost technical assistance in order to make the small and medium-sized enterprises of developing countries more competitive, and in order to achieve that, the transfer of technologies on favourable terms remained indispensable.

36. It would be difficult to implement the agreements concluded at the World Summit on Sustainable Development, in Johannesburg. Colombia continued to attach importance to the realization of the Rio principles and Agenda 21. It had, moreover, already integrated in local development plans the sustainable development principles, which presupposed initiatives that were at once economic, social and environmental in nature.

37. Despite numerous constraints, States now had available to them the tools necessary to devise a multilateral policy integrating the commitments entered into at the three recent major conferences. They were counting on the active participation of the Bretton Woods institutions, but also on new partners anxious to contribute to global development, in particular, the many non-governmental organizations ready to cooperate in that great enterprise.

38. To sum up, it was necessary, in the short term, to solve the crisis that was weakening the international financial architecture, destabilizing the economic and financial system and preventing the implementation of the Johannesburg, Doha and Monterrey agreements. Colombia stood ready to participate actively in translating them into concrete measures.

The meeting rose at 1.10 p.m.